

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: SUPPORT SERVICES (SELF-INSURANCE)

DATE: DECEMBER 16, 2010

COMMITTEE MEMBERS PRESENT: OTHERS PRESENT:

SUPERVISORS TAYLOR
STRAINER
STEC
LOEB
MCCOY

FREDERICK MONROE, CHAIRMAN OF THE BOARD
PAUL DUSEK, COUNTY ADMINISTRATOR/ATTORNEY
JOAN SADY, CLERK OF THE BOARD
SUPERVISOR THOMAS
AMY CLUTE, SELF-INSURANCE ADMINISTRATOR
JACK BIENIEK, VICE PRESIDENT, COOL INSURING AGENCY, INC.
JOANNE COLLINS, LEGISLATIVE OFFICE SPECIALIST

COMMITTEE MEMBERS ABSENT:

SUPERVISORS VANNESS
GIRARD

Mr. Taylor called the meeting of the Support Services Committee to order at 10:00 a.m.

Motion was made by Mr. McCoy, seconded by Mr. Strainer and carried unanimously to approve the minutes of the previous meeting, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Jack Bieniek, Vice President of Cool Insuring Agency, Inc., who referred to the detailed 2011 Insurance Proposal. Mr. Bieniek advised that the exposure base and experience rating were the two main drivers of the Warren County Insurance Plan. He reported that the Ratable Budget had decreased by 1.8% for 2011, insured property values had decreased by 2.8%, and the vehicle fleet size had decreased by 2.2%. He informed that law enforcement policy rates were based on the number of armed officers which was 68 for 2011 and reflected a 3% increase. He noted a 20% increase in general liability with one significant (half of the total reserve) general liability case currently in reserve status with New York Municipal Insurance Reciprocal (NYMIR). Mr. Bieniek apprised that automobile liability experience had improved and noted some activity in law enforcement which was reasonable based on its size.

Addressing claims, Mr. Bieniek reported 31 open liability claims totaling \$1,010,303. As of September 1, 2010, he said, trends were very good with \$36,250 in reserve funds.

Mr. Bieniek stated that NYMIR was a reciprocal insurance agency owned by its members, and Warren County was one of 600 municipalities in New York State with equity in NYMIR. He apprised that since 1992, NYMIR had built reserves which resulted in a return of capital and that policy renewal would result in the 3rd and final capital return to policyholders for a total amount of \$31,335.50 for Warren County.

Regarding the renewal premium, Mr. Bieniek stated that NYMIR had originally proposed a 3% premium increase. He stated that following discussions, he had negotiated a total increase of 1% in light of the County's positive trending. Overall, he informed, NYMIR had not made a profit on the Warren County account due to significant losses. Mr. Bieniek stated that he felt the total renewal premium of \$677,042 was reasonable.

A short discussion ensued with regard to the Gaslight Village property and Paul Dusek, County Administrator/Attorney, noted that the Waxlife Museum located on the south parcel would be demolished and therefore would not require insurance coverage. Mr. Bieniek note an approximate premium savings of \$1,500.

Mr. Bieniek informed of the County's dam exposure in Brant Lake and stated that he expected to receive the inspection report from the New York State Department of Environmental Conservation (NYS DEC) in April.

Mr. Bieniek acknowledged that the County was in the process of engaging a new Railroad operator and he planned to consult with Mr. Dusek regarding the details of the Request for Proposal (RFP). He noted that various liability concerns would be addressed which included passenger and freight issues.

Regarding the Hazardous Materials (HAZ MAT) Mobile Response Team, Mr. Bieniek referred to the County's truck and trailer dedicated for this purpose. He noted the State provided the County with \$400,000 in HAZ MAT recovery equipment. Mr. Bieniek stated he would review the contract concerning liability and report back to Mrs. Clute and Mr. Dusek. A short discussion ensued with regard to chemical leaks and liability.

Pertaining to Flood and Earthquake coverage, Mr. Bieniek stated the County had slightly over \$100 million of insured property with \$1 million in flood and earthquake coverage. He noted that structural damage resulting from an earthquake could result in \$2 to \$3 million in expenses. He suggested that the County consider an increase in coverage and added that he would explore and compile additional information to that end. Mr. Stec asked the approximate cost for additional coverage and Mr. Bieniek stated that an additional \$5 million in coverage would cost approximately \$12,000 in premium. Mr. Taylor asked Mr. Bieniek to compile the figures for future Committee review.

Mr. Bieniek informed that the NYMIR program included an Ordinance and Law coverage which was related to property and fire insurance. He asked the Committee if they were comfortable with the current \$500,000 limit and suggested that additional coverage options be considered. He stated that he would provide information to the Committee with regard to increased limits of Ordinance and Law coverage.

Regarding Airport Insurance, Mr. Bieniek stated that the Airport had requested the addition of a Sky Diving and Parachuting Exclusion. He noted that the exclusion could be negotiated and would likely be a cost driver. Mr. Taylor noted that such activities and demonstrations might take place on the Airport grounds during special events. Mr. Dusek stated that if a decision were made to forego coverage for these activities, he strongly recommended that the County affirmatively adopt a policy for the Airport which prohibited such activities on the grounds. Mr. Bieniek conjectured that the premium for a few events would be high and once the number of events were determined he could compile figures for Committee review. Mrs. Clute stated that she would provide Mr. Bieniek with the event and activity information.

Summarizing the Insurance Proposal for 2011, Mr. Bieniek noted the two Gaslight Village structures would be demolished thereby decreasing coverage; he would meet with Mr. Dusek regarding the details of the Railroad Operator RFP; and he would compile alternative coverage options for Flood & Earthquake, and Ordinance & Law for Committee review.

Mrs. Clute presented a request to renew Warren County's Property and Casualty Insurance for 2011 with Cool Insuring Agency, Inc., for a total amount not to exceed \$717,047.

Motion was made by Mr. Stec, seconded by Mr. McCoy and carried unanimously to approve the request to renew the 2011 insurance proposal for Warren County as prepared by Cool Insuring

Agency, Inc., in the amount of \$717,047 and the necessary resolution was authorized for the December 17, 2010 Board meeting. *A copy of the resolution request form is on file with the minutes.*

As there was no further business to come before the Support Services Committee, on motion made by Mr. Stec and seconded by Mr. Strainer, Mr. Taylor adjourned the meeting at 10:26 a.m.

Respectfully Submitted,
Joanne Collins, Legislative Office Specialist